

REPORT TO THE AUDIT COMMITTEE – 31 JANUARY 2019

INTERNAL AUDIT REPORTS

1. Recommendations

The Committee is requested to:

1.1 Review, discuss and comment on the issues raised within this report and the attached appendices.

2. Discussion

- 2.1 This report advises the Committee of completed audits (section 4), and of progress with implementing agreed recommendations (section 5 and Appendices A and B).
- 2.2 Appropriate officers agreed the factual accuracy of the Internal Audit reports prior to issue and action has been agreed to address the issues identified. Assurances have been sought from officers regarding the implementation of agreed recommendations. Service Directors have had an opportunity to comment on the data included in Appendices A and B.
- 2.3 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report. Any comments made have been incorporated within the report and they are satisfied that the report complies with the Scheme of Governance and relevant legislation.

3. Scheme of Governance

- 3.1 The Committee is able to discuss this item in terms of Sections G.1.1.d and G.1.4 of the List of Committee Powers in Part 2A of the Scheme of Governance as the Committee is responsible for Internal Audit matters and reviewing the activities of Internal Audit.

4. Internal Audit Reports

4.1 Printing Contract (Internal Audit Report 1909 – January 2019)

- 4.1.1 The Council's printing contract covers Managed Print Services (MPS) and Bulk Printing and Mailing Services (BPMS). MPS offers all-inclusive print charges, with the exception of paper costs, for mono and colour prints, that include rental of printers, consumables (ink / toner) and any repairs and maintenance required to printers. Printers also include scan to email and copying facilities. BPMS includes large scale and specialist print jobs and bulk mailing jobs.

- 4.1.2 The MPS and BPMS gross cost was £581,000 and £1,084,000 respectively in 2017/18 compared to £410,000 for MPS and £929,000 for BPMS in 2016/17.
- 4.1.3 The objective of this audit was to provide assurance that the contract is operating as expected and that expected financial savings are being generated. Whilst savings have been realised and the contract management arrangements are adequate, recommendations have been agreed to strengthen controls, to comply with the Scheme of Governance, and to ensure savings are achieved throughout the life of the contract.
- 4.1.4 Print Policy Guidance covers most aspects of contract management, however it was noted that the process for reviewing and authorising invoices and apportioning related costs to Service budgets was absent. In addition, whilst contract variations are referred to, the associated annual negotiation process leading to a contract variation, known as a Change Control Note (CCN) is not explained. The Service has agreed to develop written procedures relating to CCNs and the review and authorisation of invoices.
- 4.1.5 The Print Policy Guidance indicates that additional printers can lead to a Change Control Note, meaning the charge per print can be increased to cover the additional cost of the printer. At the time of the audit a list of additional printers was unavailable meaning an assessment of the authorisation process and financial impact could not be assessed. The Service has agreed to maintain a list of additional printers to monitor the effect of additional printers on the charge per print.
- 4.1.6 CCN4 resulted in an estimated increase in the value of the contract of £581,000. In accordance with Financial Regulations, Committee approval is required for such a variation, following presentation of an Award Report by the Procuring Officer, since the combined contract value and variation exceeds the Committee reporting threshold. CPSS will seek approval from Committee for the contract variation.
- 4.1.7 The contract provider stated BPMS savings would increase as further BPMS work was referred to them. It was also reported that the service charge will decrease as the services offered are re-shaped. The Service has agreed to review the BPMS work referred to the contract provider for the purpose of renegotiating future service charges and obtaining a share of BPMS profits as part of the CCN6 BPMS review.
- 4.1.8 The contract has KPI's which must be met by the contract provider. These can (if breached) result in deductions being applied to invoiced amounts. On reviewing the Q3 2017/18 report it was noted that Standard Response Times for engineers had a target of 4 hours but the actual average quarterly response times were omitted. If this KPI is not met the Council is eligible for a rebate however in the absence of reported figures performance cannot be determined. The Service has agreed to request that all contractual KPIs are reported quarterly with supporting documentation explaining values reported.

4.2 Value Added Tax (Internal Audit Report 1915 – December 2018)

- 4.2.1 Value Added Tax (VAT) is a tax that is charged on most goods and services that VAT-registered businesses provide in the UK. When VAT-registered businesses buy goods or services they can generally reclaim the VAT they have paid. VAT rates applied depend on the nature of the goods or services and include: standard (20%), reduced (5%) and zero (0%). Some goods and services are outside the scope of VAT or are exempt. The Council is required by law to make periodic VAT returns to HM Revenue and Customs (HMRC).
- 4.2.2 The objective of this audit was to provide assurance that VAT returns are accurately and timeously prepared and that appropriate reconciliations are completed to ensure accuracy.
- 4.2.3 A sample of VAT returns had all been reviewed and submitted in a timely manner and were supported by detailed reconciliations of the VAT recorded in the creditors, debtors, and cash receipting systems to the VAT recorded in the financial ledger system. VAT in relation to bad debts and election expenditure was found to have been accounted for correctly. In addition, a sample of creditors and debtors invoices were found to be compliant with VAT regulations and to have been processed in a timely manner.
- 4.2.4 The Council is entitled to reclaim all input VAT relating to its exempt activities, provided the input VAT relating to exempt supplies does not exceed 5% of the total input VAT in the financial year. If the Council exceeds the 5% threshold, the full amount of exempt input VAT has to be paid back to HMRC. The forecast for 2018/19 as at December 2017, was 6.38% meaning the related VAT of £2.478 million could not be reclaimed from HMRC if this position continued. The VAT Accountant advised that forecasts are always high compared to the actual out-turn. This is due to slippage in the capital plans typically reducing exempt VAT associated with the capital expenditure when compared to that budgeted. However, the fact the forecast is understood to be higher than expected increases the risk that real forecast rises in exempt VAT will be overlooked. Finance has agreed to document conclusions and any corrective action required where input VAT relating to exempt supplies is forecast to exceed the 5% threshold.
- 4.2.5 Procedures were found to be adequate in general however it was noted that guidance in relation to exempt VAT monitoring and the preparation of the VAT spreadsheet used to prepare monthly VAT returns lacked the necessary detail for someone unfamiliar with the processes concerned. The Service has agreed to enhance guidance on the preparation of the VAT spreadsheet, the VAT return checklist, and the exempt VAT monitoring process.
- 4.2.6 Finance has liaised with the Council's VAT advisor on the mandatory requirements of HMRC's Making Tax Digital initiative and are aware of the implications. Finance has agreed to ensure arrangements, including appropriate software, are in place, to comply with the requirements of Making Tax Digital.

4.3 Active Travel (Internal Audit Report 1919 – November 2018)

- 4.3.1 The Infrastructure Services Plan for Delivery of the Council Plan 2017-2022 (May 2018) includes actions to deliver outcomes in response to the Council's Priorities of "Have the best possible transport & digital links across our communities" and "Protect our special environment, including tackling climate change by reducing greenhouse gas emissions" through delivery of the Local Transport Strategy. The Strategy is based on three principles: Travel Less, Travel Actively, and Travel Effectively. The aim is to encourage active and sustainable travel throughout Aberdeenshire, by increasing the amount of travel by foot or bicycle and reducing the amount of travel by car.
- 4.3.2 Action plans have been created for various projects, including 5 Integrated Travel Towns, School Travel Plans, and Embedding Active and Sustainable Travel into Education.
- 4.3.3 Each year requests are made for grants from the Scottish Government and Transport Scotland to help fund various initiatives for walking, cycling, and electric vehicles charging points. For 2018/19 a total of £725,520 was awarded from Sustrans, Smarter Choices Smarter Places, and ChargePlace Scotland. These are normally awarded on a match funding basis, with up to 50% of the project funded by grant, and the remainder funded by the Council.
- 4.3.4 The objective of this audit was to provide assurance that the Council Priority to further embed the ability to travel actively within Aberdeenshire is being progressed as detailed in Infrastructure Services Risk ISSR001. A review of processes and documentation from Transportation, Landscape Services, and Planning and Building Services was therefore undertaken to identify details of their involvement, current projects and strategies.
- 4.3.5 Whilst projects are being implemented, and progress made, procedures could be more robust to ensure consistency in their application. In addition, measurable targets were not set as intended by the 2012 Local Transport Strategy; updates to which have also been delayed.
- 4.3.6 The Service has agreed to develop more detailed procedures regarding project development and initiation, progress monitoring, financial coding, and Committee progress reporting. The Service is awaiting an update to the Regional Transport Strategy from NESTRANS, and will thereafter refresh the Local strategy by March 2020, ensuring it includes clear measurable targets.

4.4 Primary Schools (Internal Audit Report 1929 – January 2019)

- 4.4.1 An audit of five primary schools was undertaken to provide assurance that arrangements in place to control income and expenditure, payroll records, inventories, school transport and computer security are adequate and being complied with. The schools visited were: Alford; Dales Park; Meldrum; Turriff; and, Tyrie.

- 4.4.2 Previous Internal Audit reports have identified instances where schools have failed to comply with Financial Regulations in relation to the raising of purchase orders for goods and services. There has been a significant improvement in this area with instances reducing from 13.7% in 2017 to 0.36% in the current year.
- 4.4.3 However, procurement testing across the Service identified instances where business cases had not been completed, the contracts register had not been updated, and expenditure over £50,000 had not been recorded on the Service work plan, as required by Financial Regulations. The Service has agreed to address these areas by issuing a written communication to all Head Teachers, reviewing the quality assurance process, and providing further training for Head Teachers and Administrators. The Service is also in consultation with Finance to develop reports to manage aggregate spend across the Service.
- 4.4.4 All schools visited had inventories and were carrying out annual checks to the physical items, however detail was lacking for the purposes of identifying equipment and the related replacement costs. The Service has agreed to address this through the same measures detailed above.
- 4.4.5 Whilst the audit identified areas of best practice at one school which could be adopted across other schools, it also identified a number of areas of non-compliance with the Service's financial procedures relating to school funds. The Service has agreed to address these issues as described above, by issuing instructions to schools, updating quality assurance measures and providing relevant training.
- 4.4.6 In addition to the above, issues relating to VAT were identified. Under certain circumstances, costs incurred relating to an activity organised through a school fund can be processed by the Council to recover the VAT, with the school fund reimbursing the Council the net amount. During the audit it was identified that three schools could have recovered over £800 of VAT in this way but did not do so.

5. Progress with agreed recommendations

- 5.1.1 Appendices A and B show progress made by Services with completing agreed Internal Audit recommendations. Where these have not been completed by their original due date, reasons are provided along with the grading applied to the recommendation in the original Internal Audit report. An explanation of the gradings used is shown at appendix C.
- 5.1.2 Where it has been confirmed that all actions contained in reports issued before April 2018 have been fully completed, these reports are no longer shown.

6. Implications and Risk

- 6.1 An equality impact assessment is not required because the reason for this report is for Committee to discuss and comment on the findings of Internal Audit work and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 6.2 There are no staffing or financial implications arising directly from this report other than those implicit in the tightening of internal controls recommended in the Internal Audit reports.
- 6.3 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

CHIEF INTERNAL AUDITOR

Report prepared by David Hughes, Chief Internal Auditor.
15 January 2019.

APPENDIX A

POSITION WITH AGREED RECOMMENDATIONS AS AT 15 JANUARY 2019

SUMMARY

The following table provides a summary of progress being made by Services with completing agreed recommendations.

On 13 December 2018, the Committee was advised that, as at 27 November 2018, there were 49 recommendations which were due to have been completed by 30 September 2018 which were not fully complete. This has reduced to 37.

The total not fully complete, which had an original due date of before 31 December 2018, is 52. Full details relating to progress, on a report by report basis, are shown in appendix B.

SERVICE	Recommendations							Grading of Overdue Recommendations		
	Agreed in reports shown in Appendix B	Due for completion by 31.10.18	Confirmed complete by Service	New in November and December 2018	Confirmed complete by Service	Not fully complete by original due date	Major	Significant	Important	
Cross Service	33	18	14	4	4	4	0	3	1	
Business Services	257	187	165	35	31	26	1	17	8	
Health & Social Care	55	15	15	9	8	1	1	0	0	
Education and Children's Services	79	53	45	17	10	15	0	14	1	
Infrastructure Services	94	41	38	24	21	6	0	3	3	
Total	518	314	277	89	74	52	2	37	13	

APPENDIX B

POSITION WITH AGREED RECOMMENDATIONS AS AT 15 JANUARY 2019

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE

1819	Climate Change Action Plan	November 2017	10	7	5	2	1 Significant 1 Important
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Property and Facilities Management	The Director of Business Services should ensure the Carbon Neutral Strategy for the Council's buildings is finalised and discussed at the appropriate level to determine whether proposals and target of carbon neutrality is realistic and affordable (2.1.10)	Significant June 2018	<ul style="list-style-type: none"> The Committee was advised in September 2018 that this would be complete by November 2018. The Committee was advised in December 2018 that this would be complete by February 2019.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE (continued)

(1819 – Climate Change Action Plan – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of Customer Communication and Improvement	Combined Impact Appraisal Screening should be developed and implemented (2.1.14)	Important June 2018	<ul style="list-style-type: none"> The Committee was advised in September 2018 that this would be complete by December 2018. <p>The latest update from the Service is that progress has been made with the development of a combined impact assessment process and identification of a tool to support officers undertake combined impact assessments, enable Members to view assessments, and also allow for assessments to be published on the Council's website. The revised process will be ready in March 2019 with a tool in place by the end June 2019.</p>				

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date

CROSS SERVICE (continued)

1906	Timesheets and Allowances	August 2018	23	15	13	2	2 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR&OD	Payroll should review the process of checking the payroll against set parameters between pay runs to ensure that adequate assurance is provided by the controls in place (2.2.5).	Significant October 2018	<ul style="list-style-type: none"> The Committee was advised in December 2018 that this would be complete by March 2019.
Head of HR&OD	HR&OD should review the process relating to payment of overtime rates with the employing Service to ensure that it complies with the Council's Terms and Conditions (or an exception is agreed at an appropriate level), and that the process is amended to reduce the risk of overpayment (2.8.4).	Significant September 2018	<ul style="list-style-type: none"> The Committee was advised in November 2018 that this will be complete by January 2019.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES

1547	Attendance Management	May 2015	9	9	8	1	1 Important
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	HR&OD should review options for recording adherence to the Attendance Management Policy (2.3.5)	Important December 2015	<ul style="list-style-type: none"> The Committee was advised in March 2016 that this would be completed by April 2016. The Committee was advised in July 2016 that this would be complete by August 2016. The Committee was advised in September 2016 that this would be complete by November / December 2016. The Committee was advised in February 2017 that this would be complete by December 2017. The Committee was advised in March 2018 that this would be complete by March 2019.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1633	Cash Receipting System	March 2016	2	2	1	1	1 Significant
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Finance	The Service should implement a solution to current non-compliance at the earliest opportunity (2.5.2)	Significant March 2017	<ul style="list-style-type: none"> The Committee was advised in July 2017 that this would be completed by February 2018. The Committee was advised in May 2018 that this would be completed by June 2018. The Committee was advised in September 2018 that this would be completed by December 2018. <p>The latest from the Service is that, whilst progress is being made, this will take until April 2019 to complete.</p>

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1702	Disclosure Scotland Checks	March 2017	14	14	13	1	1 Important
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	Central volunteer lists should be maintained for each Service identifying the volunteer role number and Disclosure / PVG application progress (2.4.3)	Important December 2017	<ul style="list-style-type: none"> The Committee was advised in January 2018 that this would be completed by March 2018. The Committee was advised in May 2018 that this would be completed by October 2018. The Committee was advised in September 2018 that this would be completed by November 2018. <p>The latest update from the Service is that this will now be complete by July 2020. This will allow full account to be taken of the Work of Volunteers - Cross Service Task & Finish Group. The group is reviewing the work of all volunteers across the organisation from a risk-based perspective. The group will provide recommendations on a centralised recording system and what roles must be recorded and the type of information required.</p>

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1712	Data Protection	October 2016	15	15	14	1	1 Significant
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	A central list should be maintained of all staff members who are recruited through an agency (outwith a framework agreement), volunteers, placement students and contractors, including whether a signed confidentiality agreement is in place (2.8.2)	Significant November 2016	<ul style="list-style-type: none"> The Committee was advised in February 2017 that this would be completed by September 2017. The Committee was advised in December 2017 that this would be completed by March 2018. The Committee was advised in July 2018 that this would be completed by September 2018. The Committee was advised in September 2018 that this would be completed by December 2018. <p>The latest update from the Service is that this will now be complete by July 2020. This will allow full account to be taken of the Work of Volunteers - Cross Service Task & Finish Group. The group is reviewing the work of all volunteers across the organisation from a risk-based perspective. The group will provide recommendations on a centralised recording system and what roles must be recorded and the type of information required.</p>

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1713	Electronic Document Management System	November 2016	8	8	7	1	1 Important
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Finance	The Service should ensure that data is not held longer than required in line with the data protection act (2.6.5)	Important March 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by June 2018. The Committee was advised in September 2018 that this would be completed by February 2020.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1735	Budget Monitoring	July 2017	6	6	5	1	1 Significant
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Finance	The Service should ensure that the revenue budget monitoring and budget holder information is up to date, consistent and accurate (2.1.5).	Significant December 2017	<ul style="list-style-type: none"> The Committee was advised in March 2018 that this would be completed by June 2018. The Committee was advised in September 2018 that this would be completed by November 2018. <p>The Service has advised that the service specific aspects of this exercise are being co-ordinated through Support Service Managers and information has been received in respect of Business Services and Education and Children's Services. Infrastructure Services has stated that they hold the required data but need to extract it from various sources. This will be complete by the end of February 2019.</p>

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1737	Health and Safety	May 2017	16	15	14	1	1 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Service Health and Safety Reps	Review dates should be included on the procedures (2.2.10 b)	Significant December 2017	<ul style="list-style-type: none"> The Committee was advised in January 2018 that this was complete except for Education and Children's Services which would be complete by January 2019.

1743	Deployment of Microsoft Technology	June 2017	3	3	2	1	1 Significant
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of ICT	Reasons for delays should be established and appropriate corrective action taken to ensure telephone lines are closed as required and the schedule for the remaining locations is met (2.4.8)	Significant December 2017	<ul style="list-style-type: none"> The Committee was advised in January 2018 that this would be completed by June 2018. The Committee was advised in September 2018 that this would be completed by March 2020 (re schools) although ICT is trying to bring this forward.

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.18	Number of Recommendations		
					Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations

BUSINESS SERVICES (continued)

1745	Payroll System and Processes	October 2017	21	21	16	5	1 Major 4 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	The Service should determine the best way to grant access to the iTrent system, balancing compliance with the third principle of the Data Protection Act 1998 and the administrative costs of setting up more specific access rights (2.2.13)	Major March 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by October 2018. The Committee was advised in November 2018 that this would be completed by January 2019.
Head of HR & OD	The Service should undertake annual user audits to ensure user access remains appropriate (2.2.15a)	Significant March 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by October 2018. The Committee was advised in November 2018 that this would be completed by January 2019.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
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BUSINESS SERVICES (continued)

(1745 – Payroll System and Processes – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of HR & OD	As part of the first user audit, the Service should review existing users' access levels, with their line managers, to ensure they are appropriate and not excessive (2.2.15b)	Significant March 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by October 2018. The Committee was advised in November 2018 that this would be completed by March 2019. 				
Head of HR&OD	The Service should liaise with the Payroll system supplier, to ensure authorisation of Paid Special Leave and Fixed Term Contract extensions, is reserved to staff with the required delegated authority (2.2.19)	Significant June 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by October 2018. The Committee was advised in November 2018 that this would be completed by March 2019. 				

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BUSINESS SERVICES (continued)

(1745 – Payroll System and Processes – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of HR & OD	A report should be developed showing all staffing costs being charged to individual schools, or other establishments as deemed appropriate. It should be scheduled to run on a monthly basis and be sent directly to establishments (2.6.6)	Significant March 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by October 2018. The Committee was advised in November 2018 that this would be completed by March 2019. 				

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BUSINESS SERVICES (continued)

1804	Payroll Reconciliations	August 2017	4	4	2	2	2 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	Payroll should review outstanding reconciling differences pre-dating 2016/17 and determine, in consultation with the Head of Finance, what should be done to clear them (2.2.7a)	Significant March 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that these would be completed by March 2019.
Head of HR & OD	Payroll should ensure any current year items outstanding for more than two months are investigated and cleared as soon as practically possible (2.2.7b)	Significant March 2018	

1814	Social Work Tendering	November 2017	13	9	9	0	0
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1817	Balance Sheet Code Monitoring	August 2018	5	3	3	0	0
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Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
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BUSINESS SERVICES (continued)

1818	Attendance Management	May 2018	13	11	7	4	3 Significant 1 Important
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR&OD	The Service should review Attendance Management procedures / guidance, update as appropriate and ensure that these are regularly reviewed in future (2.1.2)	Important August 2018	<ul style="list-style-type: none"> The Committee was advised in November 2018 that this would be completed by March 2019.
Head of HR&OD	The Service should establish a method by which employees may submit copies of Fit Notes while retaining the original, such as accepting scans or photographs (2.1.5 a)	Significant December 2018	The Service has advised that the administration associated with Fit Notes is being considered as part of the development of the absence reporting functionality within the iTrent system. The ability to record periods of sickness absence using the Employee Self Service and People Manager platforms is currently available within Business Services and would be further rolled out to Infrastructure Services and Children's Services in January 2019.
Head of HR&OD	The Service should create a procedure covering the handling and storage of Fit Notes and the data they contain which fulfils the Council's obligations under the Data Protection Act (2.1.5 b)	Significant December 2018	The Service has advised that using the iTrent system to store Fit Notes, or as a means of recording that a line manager has viewed an employee's Fit Note, will be considered in the next phase of this development work, which is planned to commence in February 2019 with a completion date of May 2019. Information on how other councils who use iTrent are managing Fit Notes is being collated in order to help inform this work.

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BUSINESS SERVICES (continued)

(1818 – Attendance Management – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of HR&OD	HR should ensure that all reporting managers receive trigger reports (2.2.16)	Significant September 2018	<ul style="list-style-type: none"> The Committee was advised in November 2018 that work is underway to correct reporting relationships recorded in iTrent. The Committee was advised in December 2018 that this would be complete by March 2019. 				
1823	System Recovery	June 2018	5	5	0		0
1831	Pensions	January 2018	4	4	0		0
1832	Mobile Phones Contract	May 2018	9	9	0		0

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1834	Councillors Induction	January 2018	7	7	6	1	1 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	The current Policy should be reviewed and approved by the current Council (2.4.4 a).	Significant April 2018	<ul style="list-style-type: none"> The Committee was advised in July 2018 that this would be completed by September 2018. The Committee was advised in September 2018 that this would be completed by November 2018. <p>The latest update from the Service is that the need for an Elected Member CPD policy has been reviewed by the Service and an alternative course of action has been established to increase engagement with elected members on the content of CPD and their attendance at events.</p> <p>A number of actions have now been put in place:</p> <ol style="list-style-type: none"> A framework for EM CPD outlining how consultation will take place with EM on their learning requirement, this will include an agreement for individual EM to undertake 36.25 hrs of CPD annually A package of communications, including webinars and videos outlining how EM can improve the level and effectiveness of their CPD A proposal to create a cross party learning group to ensure CPD is co-created with Elected member. Engagement with all elected members on the framework and their CPD agreement and engagement with group leaders on the importance of CPD for Elected Members.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1835	Partnerships and Joint Working	January 2018	6	2	1	1	1 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Customer Communication and Improvement	Services should review arrangements to determine which fall within the Policy's definition of a Partnership (2.3.3b).	Significant September 2018	<ul style="list-style-type: none"> The Committee was advised in November 2018 that this would be completed by November 2018. <p>The latest update from the Service is that this action will be complete by the end of April 2019 as it ties in with another agreed recommendation.</p>

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1837	HR Leavers Procedures	January 2018	11	9	7	2	1 Significant 1 Important
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR&OD	The Employee Exit Information procedure should be updated to indicate who has responsibility for issuing exit questionnaires once HR&OD conclude their review of the procedure (2.1.3).	Important September 2018	<ul style="list-style-type: none"> The Committee was advised in November 2018 that progress with this will be reviewed in June 2019.
Head of HR&OD	Consideration should be given to amalgamate the AskFRED leavers form with the AskHR leavers form to avoid the requirement for 2 forms (2.3.5 b)	Significant December 2018	The Service has advised that work will commence on this in February 2019 and will be complete by the end of April 2019.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1838	Change Management	June 2018	9	9	0	0
1840	Councillors' Code of Conduct	June 2018	3	2	0	0
1841	Budget Setting Process	November 2018	5	4	0	0
1843	Changes in Government Policy, Legislation, etc	May 2018	2	1	1	1 Important

The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Customer Communication and Improvement	The Council should consider whether a standard process for managing change programmes to reflect changes in Government Policy, Legislation and Regulations is required, and if so develop and implement one (2.2.5)	Important June 2018	<ul style="list-style-type: none"> The Committee was advised in September 2018 that this would be completed by September 2018. The Committee was advised in November 2018 that this would be completed by January 2019.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1844	Estate Rationalisation	October 2018	5	1	1	0	0
1849	Hard FM Contract	October 2018	9	9	9	0	0
1851	Fixed Asset Register	November 2018	3	3	3	0	0
1852	City Region Deal	November 2018	4	4	4	0	0
1903	Temporary Contracts	July 2018	9	5	4	1	1 Important

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR&OD	HR&OD should review the Contracts Information Fixed-term Guidance to ensure that it reflects current arrangements (2.1.4).	Important August 2018	<ul style="list-style-type: none"> The Committee was advised in November 2018 that this would be completed by March 2019.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

1904	Sale of Land and Property	November 2018	6	5	5	0	0
1907	Cleaning Payroll	September 2018	9	9	9	0	0
1908	Year-End Cut-Off Procedures	October 2018	8	3	3	0	0
1917	Agency Staff Contract	October 2018	11	11	10	1	1 Important

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Commercial and Procurement Services	The Service should ensure Services which use agency workers are consulted during development of a regional framework (2.2.8)	Important November 2018	The Service has advised that they are working with HR&OD to establish a list of relevant Service stakeholders for consultation as part of the strategy development needed for a new procurement. This will be completed prior to the publication of a tender opportunity in Spring 2019.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date

HEALTH & SOCIAL CARE PARTNERSHIP

AW1801	Community Hospital and Home Care Staff Costs	May 2018	17	0	0	0	0
1845	Joint Occupational Therapy Store	June 2018	17	16	15	1	1 Major

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Chief Officer IJB / Head of Commercial and Procurement Services	The Service, in conjunction with Commercial & Procurement Services, should ensure all supplies of over £50,000 are approved at the appropriate level, subject to an appropriately tendered contract, and recorded on the contracts register (2.3.9)	Major December 2018	Commercial and Procurement Shared Services has advised that work is ongoing to conclude this issue. One contract will be concluded by the end of January 2019 and a framework is being progressed to capture all other spend which will be concluded by July 2019.

1920	Financial Assessments	November 2018	21	8	8	0	0
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Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES

1606	Education Lets	December 2015	11	11	10	1	1 Important
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Resources and Performance	The Service should use Gladstone to monitor the income from education lets in order to ensure that properties are used effectively and efficiently (2.6.1)	Important December 2016	<ul style="list-style-type: none"> The Committee was advised in July 2018 that this recommendation would be resolved by April 2019.

1816	Health and Safety (SSERC)	January 2018	20	20	12	8	8 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Secondary Education and Additional Support	The Service should review the current Health and Safety Policies held on Arcadia and update them as required (2.1.4)	Significant October 2018	<ul style="list-style-type: none"> The Committee was advised in December 2018 that this would be complete by December 2018. <p>The latest update from the Service is that much of the necessary work relating to Chemistry, Physics, Biology, Design & Technology, and Art & Design has been completed and completion is scheduled for the end of February 2019.</p>

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

(1816 – Health and Safety (SSERC) – Continued)			
Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Secondary Education and Additional Support	The Service should confirm which training is considered necessary for all appropriate staff in relation to the areas under review and make provision for those staff to undertake that training (2.2.9a)	Significant June 2018	<ul style="list-style-type: none"> The Committee was advised in September 2018 that this would be completed by December 2018. <p>The latest update from the Service is that a training needs analysis for Secondary Teacher and Support Staff has been compiled and is currently being classified into mandatory, essential and desirable.</p> <p>Training in the past has largely been undertaken by SSERC as the only accredited provider. In 2018 over 60 staff attended courses. SSERC cannot themselves provide the amount of training required and therefore the Council is in discussion with them to become a Centre of Excellence re training. This would entail linking with local organisations who, if interested, would be accredited by SSERC to deliver certain agreed courses at SQA level to our staff. It is hoped that the system would be in place by May 2019 with courses beginning to be delivered after the Summer recess. Staff will still be able to register for courses that SSERC deliver directly.</p>

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

(1816 – Health and Safety (SSERC) – Continued)					
Chief Officer	Overdue Recommendation	Grading / Due Date	Position		
Head of Secondary Education and Additional Support	Risk Assessments / COSHH Assessments should be prepared for all activities involving hazardous material or practices (2.3.3)	Significant June 2018	<ul style="list-style-type: none"> The Committee was advised in September 2018 that this would be completed by October 2018. The Committee was advised in November 2018 that this would be completed by December 2018. <p>The latest update from the Service is that work is in progress and will be complete by the end of February 2019.</p>		
Head of Secondary Education and Additional Support	The Service should consider introducing a Quality Assurance regime in relation to Health & Safety within Science Departments (2.4.2)	Significant June 2018	<ul style="list-style-type: none"> The Committee was advised in September 2018 that this would be completed by October 2018. The Committee was advised in December 2018 that this would be complete by November 2018. <p>The latest update from the Service is that a Chemicals Management Protocols QA Document was issued to all secondary schools with the returns from all 17 schools being collated and a report on the issues compiled for the Business Support and Development Manager to consider.</p>		

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date

Grading of overdue recommendations

EDUCATION & CHILDREN'S SERVICES (continued)

(1816 – Health and Safety (SSERC) – Continued)

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Secondary Education and Additional Support	The Service should revisit the Science facilities action plans and ascertain whether the schools have carried out the actions allocated to them (2.4.3a)	Significant October 2018	<ul style="list-style-type: none"> The Committee was advised in December 2018 that this would be complete by December 2018. <p>The latest update from the Service is that all the chemical areas have been visited and an initial assessment is included in the Chemicals Management Protocols QA Document. The recommendations including those relating to Property actions will be assessed, costed and prioritised through existing corporate processes.</p>
Head of Secondary Education and Additional Support	The Service should review the actions which involved property and detail the reasons why any were not implemented (2.4.3b)	Significant June 2018	<ul style="list-style-type: none"> The Committee was advised in September 2018 that this would be completed by October 2018. The Committee was advised in December 2018 that this was being addressed as a result of other recommendations above. <p>The latest update from the Service is that Preliminary assessments have been undertaken regarding chemical store design structure and fittings, ventilation and fume cupboards with general recommendations being made. More detailed work is now required re property specifications, plans and costs.</p>

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.18	Number of Recommendations		Grading of overdue recommendations
					Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION & CHILDREN'S SERVICES (continued)

(1816 – Health and Safety (SSERC) – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of Secondary Education and Additional Support	The Service should ensure that an appropriate contract is put in place to test fume cupboards and that statutory timescales are included in the specification (2.6.3)	Significant June 2018	<ul style="list-style-type: none"> The Committee was advised in September 2018 that this would be completed by October 2018. The Committee was advised in November 2018 that this would be completed by December 2018. <p>The latest update from the Service is that a tender with Aberdeen City Council was issued with the result that no companies were interested in tendering for the work. The current contractor is continuing to be used to ensure that the machinery etc is safe for staff and pupils to use.</p>				
Head of Secondary Education and Additional Support	The Service should consider decommissioning any recirculatory fume cupboards in non-classroom locations and replacing them as required with ducted fume cupboards (2.6.8)	Significant December 2018	The Service has advised that property actions will be considered by the E&CS Property Implementation Group for 2019/20 Revenue Improvements assessing requirements against budget availability and other priorities.				
1821	Community Centres	May 2018	15	13	13	0	0

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

1836	Catering Procurement	May 2018	10	9	9	0	0
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1847	Pupil Equity Fund	August 2018	9	8	3	5	5 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Secondary Education and Additional Support	The consultation process should be followed in all instances and such consultation should be documented in the plan submitted to the QIO (2.2.6)	Significant December 2018	The Service has advised that guidance for Head Teachers has been updated and will be issued to Head Teachers at the January 2019 Head Teacher Area days.
Head of Secondary Education and Additional Support	The Service should ensure that Head Teachers are informed of the implications should staff on fixed term contracts go beyond the two year limit and are provided with guidance regarding how to proceed (2.3.6)	Significant December 2018	The Service has advised that guidance for Head Teachers has been updated and will be issued to Head Teachers at the January 2019 Head Teacher Area days.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

(1847 – Pupil Equity Fund – Continued)						
Chief Officer	Overdue Recommendation	Grading / Due Date	Position			
Head of Secondary Education and Additional Support	A system to manage, monitor and control cluster based projects should be included in the guidance and detailed in the plan (2.5.2)	Significant December 2018	The Service has advised that guidance for Head Teachers has been updated and will be issued to Head Teachers at the January 2019 Head Teacher Area days.			
Head of Secondary Education and Additional Support	Plans which include a staffing element should include an optional plan to support the proposed interventions as a contingency for recruitment delays (2.6.5)	Significant December 2018	The Service has advised that guidance for Head Teachers has been updated and will be issued to Head Teachers at the January 2019 Head Teacher Area days.			
Head of Secondary Education and Additional Support	All schools should provide sufficient detail as to how they will identify, measure and report on the pupils. Where sufficient information is not provided, QIOs should ensure that they follow up with the school (2.7.2a)	Significant December 2018	The Service has advised that guidance for Head Teachers has been updated and will be issued to Head Teachers at the January 2019 Head Teacher Area days.			

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION & CHILDREN'S SERVICES (continued)

1901	Education Maintenance Repairs	November 2018	9	7	6	1	1 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Resources and Performance	The Service should ensure guidance, including existing Hard FM guidance and any school specific requirements, is made available to all schools (2.1.8)	Significant December 2018	The latest update from the Service is that this will be complete by the end of January 2019 following completion of Head Teacher guidance.

1921	Catering Income	October 2018	5	2	2	0	0
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Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

INFRASTRUCTURE SERVICES

1602	Rent Assessment Scheme	October 2015	7	6	6	0	0
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1747	Housing Repairs Year End Stock Checks	August 2017	6	6	3	3	1 Significant 2 Important
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Housing	A full review of the year end procedures should be undertaken, to include conforming with the Corporate year end timetable (2.1.3)	Important March 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by March 2019.
Head of Housing	Stock count procedures should be updated to highlight the importance of counting stock in the absence of stock system totals (2.2.2)	Important March 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by March 2019.
Head of Housing	The Service should investigate current stock price variations compared to average stock prices which exceed 10% on a regular basis (2.6.3)	Significant March 2018	<ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by March 2019.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

INFRASTRUCTURE SERVICES (continued)

1748	Car Park Income	March 2018	11	11	9	2	2 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Transportation	The Service should process e-returns for all income from pay and display machines promptly following receipt of the audit tickets (2.4.3)	Significant December 2018	The latest update from the Service is that they are trialling a solution to ensure the issue will be addressed whilst also ensuring that VAT continues to be accounted for correctly. Internal Audit will review progress again at the end of January 2019.
Head of Transportation	The Service should review and agree appropriate governance arrangements regarding the write-off of ECNs with Finance and Legal & Governance, and ensure Committee approval is sought for any change in policy (2.5.6)	Significant November 2018	The latest update from the Service is that a report on the matter has been drafted to go to ISDMT for consideration and discussion before being presented at SLT. It had been intended for the report to be submitted in October, but it will now not be presented to ISDMT until December. This matter will not, therefore, be resolved before the end of February 2019.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

INFRASTRUCTURE SERVICES (continued)

1810	Housing Tendering Procedures	November 2018	4	0	0	0	0
1826	Recycling	January 2018	5	3	0	0	0
1828	Vehicle Usage	November 2017	8	4	0	0	0
1839	Quarries	October 2018	16	12	1	1	1 Important

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR&OD	The Service and Payroll should ensure medical certification is obtained or overpayments recovered timeously - report being developed by Payroll (2.5.8 b)	Important December 2018	The Service has confirmed that the required medical certification has been obtained and that an additional report focusing on missing/late medical certification has now been developed and this is currently being reviewed by Payroll to ensure that it meets their specific needs. The intention is to commence using the finalised report in January 2019, and this will supplement the existing reports that Payroll currently receive on cases of sickness absence.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.12.18	Confirmed Implemented by Service	Not implemented by original due date	

INFRASTRUCTURE SERVICES (continued)

1842	Roads Tendering	October 2018	17	8	8	0	0
1846	Town Regeneration	July 2018	5	4	4	0	0
AW1901	Sheltered Housing Guest Room Income	May 2018	8	8	8	0	0
1911	European Agricultural Fund for Rural Dev	October 2018	7	2	2	0	0

APPENDIX C

Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level / within audited area	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.

